

Comments: International Tax Reform Working Group

Dear International Tax Reform Working Group members,

Please stop citizenship based taxation and implement Residency based Taxation!

I am a US citizen (born in the United States) living in Canada for over 25 years. Each year I file two income tax returns, one for Canada and one for the United States. I do not live in the U.S., I have no income from the U.S., no property in the U.S., and no accounts in the U.S. I pay sales tax, property tax and income tax to Canada, a country with a long standing tax treaty with the United States and yet the United States requires I file a very complicated, time consuming and expensive return and report on my typical saving and retirement accounts. The fines for even minor failures in reporting can be financially devastating.

How I handle my finances is affected by the U.S. Tax law. Many Canadians in my situation would open a special tax free account to help with retirement. It does not make sense for me however due to the expensive U.S. filing requirements. Some Canadians may invest in a small rental property. Once again, for me, the filing overhead of U.S. Tax stops me from any serious consideration of such a move. In many ways my life in Canada is compromised by U.S. Tax law (not Canadian Law) putting me at a disadvantage.

Many are worse off than I am. Did you know that a person born outside the United States who have U.S. Citizenship through a parents citizenship must also file U.S. Taxes. The same person may not be able to vote depending on the state law in the state where their parent(s) last resided in the United States? The result is there are U.S. Citizens who must file U.S. Taxes and yet can not vote. Clearly this is TAXATION WITHOUT REPRESENTATION from the UNITED STATES!

When you hear of the increasing numbers of people renouncing their U.S. Citizenship please have sympathy for them that their situation has become so difficult that they have been pushed to the extreme of renouncing their citizenship.

A better idea than sympathy is to switch to Residency based Taxation!

I support the positions of American Citizens Abroad and The Association of Americans Resident Overseas. Please strongly consider their thoughtful input on this topic for the sake of the millions of Americans outside the U.S., many of whom may not be aware of this opportunity for public input.

Sincerely,

U.S. Citizen, born and raised now living in Canada

Kevin Rabalais